

February 1, 2002

**INFORMATION AND INSTRUCTIONS TO FILE PUC CLASS "A" ANNUAL FINANCIAL
REPORT FOR CALENDAR YEAR ENDED DECEMBER 31, 2001**

PASSENGER COMMON CARRIERS, HAW-PUC FORM 92-010

1. **General Requirements**

This report must be filed by **passenger common carriers** who have accrued more than \$200,000 of PUC revenues during calendar year 2001. If PUC revenues are less than \$200,000, you must file HAW-PUC Form 92-012, PUC Class "B" Annual Financial Report for Passenger Common Carriers.

2. **Where to File**

465 South King Street
Kekuanaoa Building, Room 103
Honolulu, Hawaii 96813

3. **Number of Copies Required**

Submit the **original** and **one copy** of the completed PUC Annual Financial Report.

4. **Due Date of Annual Financial Report**

The report must be postmarked or hand delivered to the Commission on or before April 30, 2002.

5. **Extension Request to File Annual Financial Report**

- a. If you cannot complete your report for calendar year 2001 on or before the due date, you may ask for an extension of time to file the report. A request for an extension of time must be postmarked or hand delivered to the Commission on or before April 30, 2002 to avoid penalties under Section 271-27(i) of the Hawaii Revised Statutes (see paragraph 6 below). Approval shall be granted for good cause only. A form for requesting an extension of time is included with this information and instruction letter.
- b. Your request for an extension of time to file your 2001 Annual Financial Report shall not be granted unless your current year's motor carrier gross revenue fee is paid with your extension request.

- c. The extension is valid for only one month or until May 31, 2002. If you fail to file your Annual Financial Report by this date, you shall be assessed penalties in accordance with paragraph 6 below. The penalties shall be accrued from May 1, 2002 to the date the Annual Financial Report is filed and accepted by the Commission.

6. Penalty for Late Filing of Annual Financial Report

Under Section 271-27(i) of the Hawaii Revised Statutes, you are subject to a penalty for the delinquent filing of the Annual Financial Report. The penalty is equal to one-sixteenth of one percent per month of the PUC annual gross revenues. The penalty is assessed for each month or fraction of a month that the report is delinquent. For example, if your 2001 PUC gross revenues are \$200,000, and your report is not filed until two and one-half months after the due date, the penalty is \$375.00 (\$200,000 x .000625 or \$125.00 per month). The minimum penalty is \$50.00.

7. Preparation of Annual Financial Report

- a. The Annual Financial Report must either be TYPED or prepared in BLUE or BLACK INK. Any report handwritten in PENCIL shall be rejected.
- b. The prescribed Annual Financial Report must be filed in its entirety. Tax returns or other financial formats shall not be accepted. You may substitute a computerized format in lieu of the prescribed PUC form. However, the computerized format must be identical to the line-by-line items on the prescribed PUC form.
- c. Complete the verification section of exhibit A. Be sure that the owner, partner, officer or authorized agent with the power of attorney signs the verification page. If it is not signed by the proper authority, it shall be **REJECTED**.
- d. The accrual method of accounting must be used in preparing the Annual Financial Report.
- e. The Annual Financial Report must be prepared on a calendar year basis.
- f. A motor carrier with extended authority on the other islands must file separate income statements and supporting schedules (exhibits C, C1 - C5) and vehicle inventory lists (exhibit D) for each island. The organization schedule (exhibit A) and balance sheet and supporting schedules (exhibits B, B1 - B4) may be filed on a consolidated basis.

- g. If the Annual Financial Report is incomplete or incorrect, the report may be **REJECTED** and you may be assessed penalties. Further, if necessary, this report shall be subject to audit.

8. PUC Motor Carrier Gross Revenue Fee

- a. A form entitled, "Bill for Collection," is included with the enclosed forms (see second page). Please attach your check to the "Bill for Collection" form and submit them together with your Annual Financial Report on or before April 30, 2002. **DO NOT MAIL CASH.**
- b. Under Section 271-27(h) of the HRS, you are subject to a penalty for the failure to pay the motor carrier gross revenue fee. This law authorizes the Commission to assess a minimum penalty up to \$1,000.00 and between \$50.00 and \$500.00 per day for continuous non-payment. Interest shall continue to accrue at a rate of ten (10) percent per annum.

9. Additional Instructions

HRS § 239-2 relating to the **Public Service Company (PSC) Tax** amends certain PSC tax provisions, particularly by amending the definition of "gross income" to allow motor carriers to pay the PSC Tax only on their portion of gross receipts received through the arrangements with other motor carriers. **HRS § 239-2 DOES NOT APPLY TO THE CALCULATION OF THE PUC MOTOR CARRIER FEE (Fee).** There is **no** provision under PUC statutes that allows for a deduction in gross revenues to calculate the PUC Fee. No deductions to gross revenues (including **Farm-Outs**) shall apply when calculating the PUC Fee. See Hawaii Revised Statutes § 271-36.

10. Questions

If you have any questions, please call the PUC audit section in Honolulu at 586-2020 or visit our Department web site at <http://www.state.hi.us/budget/>. Neighbor island carriers may call their local PUC office for assistance:

Island of Kauai	274-3232
Island of Maui	984-8182
Island of Hawaii	974-4533

**EXTENSION REQUEST TO MAY 31, 2002
TO FILE 2001 PUC ANNUAL FINANCIAL REPORT
FOR CLASS "A" COMMON CARRIERS**

1. This extension request must be postmarked on or before April 30, 2002. See paragraph 5a of Instruction Sheet.
2. Payment for motor carrier fee must be attached. See paragraph 5b of Instruction Sheet.
3. **We will not grant additional extensions beyond May 31, 2002.** Show cause hearing for revocation of your certificate shall be initiated if your annual financial report is not received by said date.
4. HRS § 239-2 relating to the **Public Service Company (PSC) Tax** amends certain PSC tax provisions, particularly by amending the definition of "gross income" to allow motor carriers to pay the PSC Tax only on their portion of gross receipts received through the arrangements with other motor carriers. **HRS § 239-2 DOES NOT APPLY TO THE CALCULATION OF THE PUC MOTOR CARRIER FEE (Fee).** There is no provision under PUC statutes that allows for a deduction in gross revenues to calculate the PUC Fee. No deductions to gross revenues (including **Farm-Outs**) shall apply when calculating the PUC Fee. See Hawaii Revised Statutes § 271-36.

Part A:

Carrier Name _____

PUC No. _____

Address _____

Telephone No. _____

Reason for extension _____

Signature _____ Date _____

Title _____
(Owner, Partner, Officer, Authorized Agent)

Part B - Motor Carrier Fee

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|----|--|----------|
| 1. | PUC Regulated Revenues for Calendar Year 2001 | \$ _____ |
| 2. | Fee = .0025 x Line 1 (Minimum fee \$20) | \$ _____ |
| 3. | Less: Credit for Overpayment of Prior Year's Fee | \$ _____ |
| 4. | Balance Due (Difference Line 2 minus Line 3) | \$ _____ |